Economic Determinants of Third-Party Intervention in Civil War

Vincenzo Bove
Department of Government, University of Essex*

Petros G. Sekeris
Department of Economics, University of Namur†

April 1, 2011

Abstract

The most basic role of the state is to provide physical security to its citizens through a monopoly of organised violence within the society. Where the government fails to do this and rival violent organisations emerge, the state descends into civil war. However, governments play also a role as regulators of private economic activity and as providers of public goods. Between standard economic models, which assume a state that effortlessly enforces contracts, and anarchic conflict models with no enforcement, there is a range of intermediate cases associated with different degrees of state capacity (e.g. Besley & Persson, 2009, 2010). Our model builds on this last group and considers three players: a government, which finances its deterrent army through taxation; insurgents which loot natural resources to sustain the insurgency; and an external third party which chooses a level of security and legal enforcement support (a non-excludable form of public good) and a monitoring effort the level of natural resources extracted by the ruler. Indeed, many failed states are rich in natural resources, which might create incentives for third parties to intervene. Donor countries' determination to ensure access to overseas supplies of vital resources and the protection of global resources flows is increasingly important in their security policy. Our theoretical framework predicts that the host country's industry profitability increases the size and likelihood of intervention. Therefore we test whether primary commodities exports and their share in the global market affect the participation and contribution to military interventions.

Keywords: Peacekeeping, Civil War, Natural Resources
JEL Classification : D74; D82; F5; H56

*vbove@essex.ac.uk
†petros.sekeris@fundp.ac.be